



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

Jan 24, 2007

EVENT: Indictment

Defendant: Comprehensive Environmental Solutions, Inc.

**Dearborn Wastewater Treatment Facility and Four Former Employees
Charged with Illegally Discharging Untreated Liquid Wastes**

A federal grand jury in Detroit, Michigan returned a 12-count Indictment today charging a Dearborn waste treatment company and three former employees with violations of the Clean Water Act, conspiracy, making false statements and obstruction of justice, in connection with illegal discharges of untreated liquid wastes from the facility. An information and plea agreement for a fourth former employee was filed today in U.S. District Court, announced United States Attorney Stephen J. Murphy. US Attorney Murphy was joined in the announcement by David M. Uhlmann, Chief of the Justice Department's Environmental Crimes Section.

Charged in the Indictment are:

- Comprehensive Environmental Solutions, Inc. (CESI), a Nevada Corporation which operates a wastewater treatment and disposal facility at 6011 Wyoming Street, Dearborn, Michigan;
- Bryan S. J. Mallindine, 50, of Carlsbad, CA, the former president and CEO of CESI, who is charged with conspiracy, a Clean Water Act violation, and obstruction of justice;

- Michael G. Panyard, 44, of Pleasant Ridge, MI, a former president, general manager, and sales manager at CESI, who is charged with conspiracy, three Clean Water Act violations, and seven false statement charges; and
- Charles D. Long, 41, of Brownstown, MI, a former plant manager and operations manager at the facility, who is charged with conspiracy and a Clean Water Act violation.

The plea agreement and information, which were unsealed today, charge Donald A. Kaniowski, 37, of Dearborn, MI, a former plant manager at the CESI facility, with unlawfully bypassing treatment equipment and discharging untreated liquid wastes into the Detroit sanitary sewer system, in violation of the Clean Water Act.

United States Attorney Stephen J. Murphy said, "The federal regime of environmental laws is in place to protect the public and prevent unlawful discharges into our water system. Today's charges demonstrate the commitment of my office, U.S. EPA and the FBI to pursue possible violations of the environmental laws as well as attempts to conceal such violations."

"The indictment in this case alleges that the defendants were paid to accept millions of gallons of waste at a time when their storage tanks were already filled to capacity," said David M. Uhlmann, Chief of the Justice Department's Environmental Crimes Section. "The defendants then allegedly discharged the waste into the Detroit sewer system without adequate treatment, which is precisely the type of conduct that the Clean Water Act was enacted to prevent."

According to the Indictment, in 2002, CESI took over ownership and operations at the Wyoming Street facility. The facility had a permit to treat liquid waste brought to the facility through a variety of processes and then discharge it to the Detroit sanitary sewer system. The facility contained twelve large above ground tanks capable of storing more than 10 million gallons of liquid industrial wastes.

According to court records, although the facility's storage tanks were at or near capacity, the company continued to accept millions of gallons of liquid wastes which it could not adequately treat or store. The Indictment alleges that, in order to reduce costs and maintain storage space at the facility for additional wastes, the defendants often bypassed treatment processes and discharged untreated wastes directly to the sewer, in violation of the Clean Water Act and Detroit City Ordinance requirements, and made false statements and engaged in other surreptitious activities in order to conceal their misconduct.

The possible penalties are: for conspiracy or making false statements, up to five years in prison for each violation; for Clean Water Act violations for unlawfully bypassing treatment equipment or otherwise violating local pretreatment requirements, up to three years in prison; for the Clean Water Act violation of tampering with or rendering inaccurate monitoring equipment, up to two years in prison; for the obstruction violation, charged against Bryan S.J. Mallindine, up to ten years in prison.

An Indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

Untreated and insufficiently-treated industrial wastes discharged into a sanitary sewer can interfere with the operation of a sewage treatment plant, causing a discharge of untreated sewage and other wastes into a lake or river. If a major storm event causes a sanitary sewer to exceed its capacity, then untreated and insufficiently-treated industrial wastes in that sanitary sewer may discharge directly to lakes and rivers.

The case was investigated by Special Agents of the U.S. Environmental Protection Agency Criminal Investigation Division and the Federal Bureau of Investigation, with the assistance of the U.S. Coast Guard and the Michigan Department of Environmental Quality Office of Criminal Investigations. The case is being prosecuted by Assistant U.S. Attorney Mark Chutkow and U.S. Department of Justice Senior Counsel James Morgulec.